THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

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American Embassy
Guatemala, December 29, 1953

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Dear John:

There are three copies of a memorandum covering a conversation that John Hill had with Lic. Eugenio Silva Peña, who was Guatemala's Foreign Minister after Torriello and before Muñoz Meany during the Arévalo Administration. It seems to me to give an interesting and vivid picture of how moderates associated with the Revolution, as well as the conservatives of the "Anti-Communist Movement," are alarmed at the Communist ascendancy during the Arbenz Administration.

Sincerely yours,

William L. Krieg,
Counselor of Embassy.

John W. Fisher, Esquire
Guatemalan Desk Officer,
Room 4107 New State,
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Washington, D. C.

Enclosures:
3 copies of Memo of Conversation.

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MEMORANDUM OF CONVERSATION

December 28, 1953

Participants: Lic. Eugenio SILVA Peña, ex-Guatemalan Foreign Minister

Mr. John Calvin Hill, Jr., Second Secretary of Embassy

My wife and I ran into Lic. Eugenio SILVA Peña at a friend's house on December 26 and had a rambling two-hour conversation about the Guatemalan situation of which the following were the highlights. Lic. Silva Peña, one of the professional people in the 1944 Revolution, was Arévalo's Ambassador to Washington and Foreign Minister, but is one of those who has turned away from the government.

Lic. Silva Peña was asked by Mrs. Hill when the conversation had developed to that point, whether he thought President Arbenz was a Communist. He answered: Yes, he was completely with them. The particularly dangerous one was Sra. de Arbenz who had started studying Communism early in the Arévalo Administration under Virginia BRAVO Letelier, the Chilean Communist who was an excellent teacher. Now, through Sra. de Arbenz, Communists surround the President. Case recently, Fanjul, the Minister of Economy, had been unable to get an appointment with the President, but Fortuny, the head of the Communist party, had walked right into his office without an appointment.

Lic. Silva Peña said Arbenz was a slow, stubborn man. He had been silent at Arévalo's Cabinet meetings when he was Minister of Defense, never speaking until Arévalo called on him and never revealing his hand. He, Silva Peña, like others had thought Arbenz would be moderate when he became President, but now he was "completely a captive of the Communists."

Lic. Silva Peña thought that eventually the Army would not tolerate the situation. At the moment Arbenz had tremendous prestige with the officers and they were scared to speak or act. But they were anti-Communist (sic) and in the long run would not allow things to go on. The country was overwhelmingly anti-Communist and the Communists would get nowhere without Arbenz' support.

He indicated, at various steps of the conversation, that he thought little of the anti-Communists as a political force. He had known most of them all his life and many were charming, but they had no program. Guatemala could not go backwards.

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Lic. Silva Peña reverted several times to the importance of the Caracas Conference. The anti-Communist item was already on the agenda with only Guatemala voting against its inclusion. If Guatemala pursued this course she would be isolated 20-1 in the hemisphere and exposed. He had recently talked to Foreign Minister Osegueda about this, but Osegueda would not understand. That was the trouble: the people in the government didn't want to understand what didn't fit in with their plans.

We touched on the Agrarian Reform when someone mentioned Eduardo VASQUEZ' finca in the Department of Escuintla which had just been reported to have been invaded and its storehouses broken into by a mob led by Carlos Manuel PELLECER, the Communist labor leader and deputy. Lic. Silva Peña said he knew of four such instances. He said that before the Agrarian Reform Law was submitted to Congress (in May, 1952), President Arbenz had called him in to read and give his advice on the draft. The first point which had struck him was the provision that the expropriated land was to be nationalized and parcelled out to the campesinos in life use instead of private property. He had told the President that this would put the State in control of the whole country and eventually the provision had been changed. But the Communists had seen that people were not allowed to have land in private property: virtually all land so far expropriated had been nationalized and given out in life use. Below Major MARTINEZ, the whole National Agrarian Department was Communist-dominated. He mentioned in this connection Waldemar BARRIOS Klée, the Deputy Chief of the Department and Chief of the Lands Section, and Mario SOSA, the Department's Chief Inspector, both of whom were "Communists." He said he knew of cases where campesinos had tried to get land as private property and the Agrarian Department had not let them do it. (Our host interrupted here to describe the case of the ex-chauffeur of the French Minister who had been required to join the Communist party in order to get a job in the Department.)

Lic. Silva Peña said the Communists made their influence felt a good deal through hard work. For instance, once last year he was on a committee which had been unable to settle a question at a certain meeting. Everyone except the Communists had gone off that evening to see the "Ice Carnival" which was in town. The Communists had worked all night and came in the next day with a completely new set of proposals which carried the day.

He described Fortuny, whom he had known for a long time, as "brilliant and shrewd" but arrogant and suspicious. He, Silva Peña, had been at a party recently and had been citing steel production figures to Alfredo GUERRA Borges, the Communist propaganda chief, off in a corner, to convince him of the U.S.'s industrial superiority. Guerra Borges, who was "extremely smart," had conceded this point and was arguing for the USSR on other grounds when Fortuny who had overheard, said to Guerra Borges, "Is that the way you defend the Soviet Union?" Guerra Borges had backed down.

Touching on other personalities, he questioned a reference of mine to Julio ESTRADA de la Hoz, Secretary General of the Partido Acción Revolucionario (PAR), the leading Administration party, as a "leftist intellectual." He said that Estrada had enrolled in the Mexican Communist party while a student there and was convinced of the superiority of Communism. He referred to Humberto GONZALEZ Juarez, the President's Private Secretary as a "complete opportunist."

He said Abel CUENCA, the Salvadoran who is a Secretary of the leftist Partido de la Revolucion Guatemalteca was "one of the most powerful men in the country" although he seldom got his name in the papers and preferred to work silently. Cuenca had been a leader of the Communist revolt in El Salvador in 1932. Silva Peña as Foreign Minister had obtained Arévalo's permission in 1947 to deport a number of foreign trouble-makers and had accidentally found out that Cuenca had a death sentence pending against him in El Salvador. He had summoned Cuenca, Virgilio GUERRA (now a Secretary of the Communist party), Rodríguez and "one other" to his office, given them exit visas and told them to get out of the country. It had turned out that Cuenca could not go back to El Salvador because of the sentence and he was sent elsewhere.

Lic. Silva Peña spoke admiringly of Arévalo's "cleverness" in handling the Communists, but admitted he had made mistakes. Arévalo had been against letting the Communists organize. He had immediately agreed to Silva Pena's proposal to shut down the Escuela Claridad, the 1945-46 Communist training school established in the CTG labor federation. He had backed Silva Peña in keeping Pellecer out of the country as Secretary of the Guatemalan Legation in Paris. Pellecer had been writing Arévalo every week asking for permission to return, and Arévalo had asked Silva Peña to "tell him to quit bothering me." Arévalo had later closed the Jacobo Sánchez Communist school. Silva Peña also indicated that Arévalo was now dissatisfied with Arbenz' policies but would not expand on this.

I talked at some length on the theme that the U.S. was seriously concerned about Communism here but, as our record in Bolivia showed, we were not opposed to efforts of countries to develop themselves through Agrarian Reform and other means so long as they observed the norms of international law in the handling of U.S. interests. I told him that it was Communism itself which was the impediment to obtaining U.S. cooperation and I, as an individual, was sure that if the Communist problem were settled, everything else would fall into place. Lic. Silva Peña said he agreed completely that as long as there was the Communist problem it was "obvious" that Guatemala would not have any cooperation. He had been speaking only the other day to

Osegueda about Bolivia's strong anti-Communist stand and pointing out that Bolivia was receiving U.S. aid, and that the U.S. was the only place where aid could come from. Osegueda had replied by accusing the United Fruit Company of conducting an anti-Guatemalan campaign. This was another example, he said, of the government people's unwillingness to see what they didn't want to see.

Lic. Silva Vela said without rancor that the U.S. had made "many mistakes" in its policy towards Guatemala. He understood the U.S.' preoccupation with European and Asian problems, but this should have been no excuse for neglecting the problem here. Something might have been done if the U.S. had cooperated with the early days of the Revolution. I said that the difficulty that the U.S. found here was that we had to ask ourselves what group was available for us to cooperate with. We had turned away from the interventionist policies of the time of World War I and for the past twenty years had been building up a policy of cooperation in the Hemisphere. Here, however, there was the Communist problem and there appeared to be no other group with a positive program. He replied, "Yes, that is the trouble."

JCHill:cs